



General Assembly

January Session, 2019

## ***Amendment***

LCO No. 7816



Offered by:  
SEN. FASANO, 34<sup>th</sup> Dist.

To: Subst. Senate Bill No. 837

File No. 105

Cal. No. 72

### ***"AN ACT CONCERNING MEDICAID PAYMENT RATES FOR NURSE-MIDWIVES."***

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective July 1, 2019, and applicable to taxable years*  
4 *commencing on or after January 1, 2019*) (a) (1) There is established an  
5 account to be known as the "citizens in need account" which shall be a  
6 separate, nonlapsing account within the General Fund. The account  
7 shall contain any moneys required by law to be deposited in the  
8 account.

9 (2) Moneys in the account shall be expended by the Comptroller, in  
10 consultation with the Commissioner of Social Services, to assist  
11 residents of this state who have had their benefits from social services  
12 programs administered by the Department of Social Services reduced  
13 due to state budgetary constraints. Such moneys shall not be used for  
14 administrative purposes.

15 (b) Any taxpayer may make a charitable contribution to the citizens  
16 in need account and such taxpayer shall be allowed a deduction from  
17 such taxpayer's adjusted gross income, for purposes of the tax imposed  
18 under chapter 229 of the general statutes, at the rate of two hundred  
19 per cent of the amount of such contribution.

20 (c) The Commissioner of Social Services may adopt regulations, in  
21 consultation with the Comptroller and in accordance with the  
22 provisions of chapter 54 of the general statutes, to establish standards  
23 or criteria for determining what social services programs are eligible to  
24 receive moneys from the account and how disbursements from the  
25 account will be made, methods to determine the amounts of and a  
26 schedule for making such disbursements and any other regulations  
27 necessary to implement the provisions of this section.

28 Sec. 2. Subparagraph (B) of subdivision (20) of subsection (a) of  
29 section 12-701 of the general statutes is repealed and the following is  
30 substituted in lieu thereof (*Effective July 1, 2019, and applicable to taxable*  
31 *years commencing on or after January 1, 2019*):

32 (B) There shall be subtracted therefrom:

33 (i) To the extent properly includable in gross income for federal  
34 income tax purposes, any income with respect to which taxation by  
35 any state is prohibited by federal law;

36 (ii) To the extent allowable under section 12-718, exempt dividends  
37 paid by a regulated investment company;

38 (iii) To the extent properly includable in gross income for federal  
39 income tax purposes, the amount of any refund or credit for  
40 overpayment of income taxes imposed by this state, or any other state  
41 of the United States or a political subdivision thereof, or the District of  
42 Columbia;

43 (iv) To the extent properly includable in gross income for federal  
44 income tax purposes and not otherwise subtracted from federal

45 adjusted gross income pursuant to clause (x) of this subparagraph in  
46 computing Connecticut adjusted gross income, any tier 1 railroad  
47 retirement benefits;

48 (v) To the extent any additional allowance for depreciation under  
49 Section 168(k) of the Internal Revenue Code for property placed in  
50 service after September 27, 2017, was added to federal adjusted gross  
51 income pursuant to subparagraph (A)(ix) of this subdivision in  
52 computing Connecticut adjusted gross income, twenty-five per cent of  
53 such additional allowance for depreciation in each of the four  
54 succeeding taxable years;

55 (vi) To the extent properly includable in gross income for federal  
56 income tax purposes, any interest income from obligations issued by or  
57 on behalf of the state of Connecticut, any political subdivision thereof,  
58 or public instrumentality, state or local authority, district or similar  
59 public entity created under the laws of the state of Connecticut;

60 (vii) To the extent properly includable in determining the net gain  
61 or loss from the sale or other disposition of capital assets for federal  
62 income tax purposes, any gain from the sale or exchange of obligations  
63 issued by or on behalf of the state of Connecticut, any political  
64 subdivision thereof, or public instrumentality, state or local authority,  
65 district or similar public entity created under the laws of the state of  
66 Connecticut, in the income year such gain was recognized;

67 (viii) Any interest on indebtedness incurred or continued to  
68 purchase or carry obligations or securities the interest on which is  
69 subject to tax under this chapter but exempt from federal income tax,  
70 to the extent that such interest on indebtedness is not deductible in  
71 determining federal adjusted gross income and is attributable to a  
72 trade or business carried on by such individual;

73 (ix) Ordinary and necessary expenses paid or incurred during the  
74 taxable year for the production or collection of income which is subject  
75 to taxation under this chapter but exempt from federal income tax, or  
76 the management, conservation or maintenance of property held for the

77 production of such income, and the amortizable bond premium for the  
78 taxable year on any bond the interest on which is subject to tax under  
79 this chapter but exempt from federal income tax, to the extent that  
80 such expenses and premiums are not deductible in determining federal  
81 adjusted gross income and are attributable to a trade or business  
82 carried on by such individual;

83 (x) (I) For taxable years commencing prior to January 1, 2019, for a  
84 person who files a return under the federal income tax as an  
85 unmarried individual whose federal adjusted gross income for such  
86 taxable year is less than fifty thousand dollars, or as a married  
87 individual filing separately whose federal adjusted gross income for  
88 such taxable year is less than fifty thousand dollars, or for a husband  
89 and wife who file a return under the federal income tax as married  
90 individuals filing jointly whose federal adjusted gross income for such  
91 taxable year is less than sixty thousand dollars or a person who files a  
92 return under the federal income tax as a head of household whose  
93 federal adjusted gross income for such taxable year is less than sixty  
94 thousand dollars, an amount equal to the Social Security benefits  
95 includable for federal income tax purposes;

96 (II) For taxable years commencing prior to January 1, 2019, for a  
97 person who files a return under the federal income tax as an  
98 unmarried individual whose federal adjusted gross income for such  
99 taxable year is fifty thousand dollars or more, or as a married  
100 individual filing separately whose federal adjusted gross income for  
101 such taxable year is fifty thousand dollars or more, or for a husband  
102 and wife who file a return under the federal income tax as married  
103 individuals filing jointly whose federal adjusted gross income from  
104 such taxable year is sixty thousand dollars or more or for a person who  
105 files a return under the federal income tax as a head of household  
106 whose federal adjusted gross income for such taxable year is sixty  
107 thousand dollars or more, an amount equal to the difference between  
108 the amount of Social Security benefits includable for federal income tax  
109 purposes and the lesser of twenty-five per cent of the Social Security  
110 benefits received during the taxable year, or twenty-five per cent of the

111 excess described in Section 86(b)(1) of the Internal Revenue Code;

112 (III) For the taxable year commencing January 1, 2019, and each  
113 taxable year thereafter, for a person who files a return under the  
114 federal income tax as an unmarried individual whose federal adjusted  
115 gross income for such taxable year is less than seventy-five thousand  
116 dollars, or as a married individual filing separately whose federal  
117 adjusted gross income for such taxable year is less than seventy-five  
118 thousand dollars, or for a husband and wife who file a return under  
119 the federal income tax as married individuals filing jointly whose  
120 federal adjusted gross income for such taxable year is less than one  
121 hundred thousand dollars or a person who files a return under the  
122 federal income tax as a head of household whose federal adjusted  
123 gross income for such taxable year is less than one hundred thousand  
124 dollars, an amount equal to the Social Security benefits includable for  
125 federal income tax purposes; and

126 (IV) For the taxable year commencing January 1, 2019, and each  
127 taxable year thereafter, for a person who files a return under the  
128 federal income tax as an unmarried individual whose federal adjusted  
129 gross income for such taxable year is seventy-five thousand dollars or  
130 more, or as a married individual filing separately whose federal  
131 adjusted gross income for such taxable year is seventy-five thousand  
132 dollars or more, or for a husband and wife who file a return under the  
133 federal income tax as married individuals filing jointly whose federal  
134 adjusted gross income from such taxable year is one hundred  
135 thousand dollars or more or for a person who files a return under the  
136 federal income tax as a head of household whose federal adjusted  
137 gross income for such taxable year is one hundred thousand dollars or  
138 more, an amount equal to the difference between the amount of Social  
139 Security benefits includable for federal income tax purposes and the  
140 lesser of twenty-five per cent of the Social Security benefits received  
141 during the taxable year, or twenty-five per cent of the excess described  
142 in Section 86(b)(1) of the Internal Revenue Code;

143 (xi) To the extent properly includable in gross income for federal

144 income tax purposes, any amount rebated to a taxpayer pursuant to  
145 section 12-746;

146 (xii) To the extent properly includable in the gross income for  
147 federal income tax purposes of a designated beneficiary, any  
148 distribution to such beneficiary from any qualified state tuition  
149 program, as defined in Section 529(b) of the Internal Revenue Code,  
150 established and maintained by this state or any official, agency or  
151 instrumentality of the state;

152 (xiii) To the extent allowable under section 12-701a, contributions to  
153 accounts established pursuant to any qualified state tuition program,  
154 as defined in Section 529(b) of the Internal Revenue Code, established  
155 and maintained by this state or any official, agency or instrumentality  
156 of the state;

157 (xiv) To the extent properly includable in gross income for federal  
158 income tax purposes, the amount of any Holocaust victims' settlement  
159 payment received in the taxable year by a Holocaust victim;

160 (xv) To the extent properly includable in gross income for federal  
161 income tax purposes of an account holder, as defined in section 31-  
162 51ww, interest earned on funds deposited in the individual  
163 development account, as defined in section 31-51ww, of such account  
164 holder;

165 (xvi) To the extent properly includable in the gross income for  
166 federal income tax purposes of a designated beneficiary, as defined in  
167 section 3-123aa, interest, dividends or capital gains earned on  
168 contributions to accounts established for the designated beneficiary  
169 pursuant to the Connecticut Homecare Option Program for the Elderly  
170 established by sections 3-123aa to 3-123ff, inclusive;

171 (xvii) To the extent properly includable in gross income for federal  
172 income tax purposes, any income received from the United States  
173 government as retirement pay for a retired member of (I) the Armed  
174 Forces of the United States, as defined in Section 101 of Title 10 of the

175 United States Code, or (II) the National Guard, as defined in Section  
176 101 of Title 10 of the United States Code;

177 (xviii) To the extent properly includable in gross income for federal  
178 income tax purposes for the taxable year, any income from the  
179 discharge of indebtedness in connection with any reacquisition, after  
180 December 31, 2008, and before January 1, 2011, of an applicable debt  
181 instrument or instruments, as those terms are defined in Section 108 of  
182 the Internal Revenue Code, as amended by Section 1231 of the  
183 American Recovery and Reinvestment Act of 2009, to the extent any  
184 such income was added to federal adjusted gross income pursuant to  
185 subparagraph (A)(xi) of this subdivision in computing Connecticut  
186 adjusted gross income for a preceding taxable year;

187 (xix) To the extent not deductible in determining federal adjusted  
188 gross income, the amount of any contribution to a manufacturing  
189 reinvestment account established pursuant to section 32-9zz in the  
190 taxable year that such contribution is made;

191 (xx) To the extent properly includable in gross income for federal  
192 income tax purposes, (I) for the taxable year commencing January 1,  
193 2015, ten per cent of the income received from the state teachers'  
194 retirement system, (II) for the taxable years commencing January 1,  
195 2016, January 1, 2017, and January 1, 2018, twenty-five per cent of the  
196 income received from the state teachers' retirement system, and (III)  
197 for the taxable year commencing January 1, 2019, and each taxable year  
198 thereafter, fifty per cent of the income received from the state teachers'  
199 retirement system or the percentage, if applicable, pursuant to clause  
200 (xxi) of this subparagraph;

201 (xxi) To the extent properly includable in gross income for federal  
202 income tax purposes, except for retirement benefits under clause (iv) of  
203 this subparagraph and retirement pay under clause (xvii) of this  
204 subparagraph, for a person who files a return under the federal income  
205 tax as an unmarried individual whose federal adjusted gross income  
206 for such taxable year is less than seventy-five thousand dollars, or as a

207 married individual filing separately whose federal adjusted gross  
208 income for such taxable year is less than seventy-five thousand dollars,  
209 or as a head of household whose federal adjusted gross income for  
210 such taxable year is less than seventy-five thousand dollars, or for a  
211 husband and wife who file a return under the federal income tax as  
212 married individuals filing jointly whose federal adjusted gross income  
213 for such taxable year is less than one hundred thousand dollars, (I) for  
214 the taxable year commencing January 1, 2019, fourteen per cent of any  
215 pension or annuity income, (II) for the taxable year commencing  
216 January 1, 2020, twenty-eight per cent of any pension or annuity  
217 income, (III) for the taxable year commencing January 1, 2021, forty-  
218 two per cent of any pension or annuity income, (IV) for the taxable  
219 year commencing January 1, 2022, fifty-six per cent of any pension or  
220 annuity income, (V) for the taxable year commencing January 1, 2023,  
221 seventy per cent of any pension or annuity income, (VI) for the taxable  
222 year commencing January 1, 2024, eighty-four per cent of any pension  
223 or annuity income, and (VII) for the taxable year commencing January  
224 1, 2025, and each taxable year thereafter, any pension or annuity  
225 income;

226 (xxii) The amount of lost wages and medical, travel and housing  
227 expenses, not to exceed ten thousand dollars in the aggregate, incurred  
228 by a taxpayer during the taxable year in connection with the donation  
229 to another person of an organ for organ transplantation occurring on  
230 or after January 1, 2017;

231 (xxiii) To the extent properly includable in gross income for federal  
232 income tax purposes, the amount of any financial assistance received  
233 from the Crumbling Foundations Assistance Fund or paid to or on  
234 behalf of the owner of a residential building pursuant to sections 8-442  
235 and 8-443; [, and]

236 (xxiv) To the extent properly includable in gross income for federal  
237 income tax purposes, the amount calculated pursuant to subsection (b)  
238 of section 12-704g for income received by a general partner of a  
239 venture capital fund, as defined in 17 CFR 275.203(l)-1, as amended



240 from time to time; [and]

241 (xxv) To the extent any portion of a deduction under Section 179 of  
242 the Internal Revenue Code was added to federal adjusted gross income  
243 pursuant to subparagraph (A)(xiv) of this subdivision in computing  
244 Connecticut adjusted gross income, twenty-five per cent of such  
245 disallowed portion of the deduction in each of the four succeeding  
246 taxable years; [.] and

247 (xxvi) The amount calculated pursuant to subsection (b) of section 1  
248 of this act for contributions made under said section during the taxable  
249 year."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2019, and applicable to taxable years commencing on or after January 1, 2019</i>	New section
Sec. 2	<i>July 1, 2019, and applicable to taxable years commencing on or after January 1, 2019</i>	12-701(a)(20)(B)